



INSURANCE FRAUD INVESTIGATION DIVISION

Kentucky Department of Insurance

909 Leawood Drive, P. O. Box 4050, Frankfort, KY 40604-4050

Phone 502-564-1461 – FAX 502-564-1464

Fraud Statistics/Convictions Activity

January 2010

Fraud Statistics

	<u>Month</u>	<u>YTD</u>
Total Referrals Received.....	81	81
Closed Referrals.....	25	25
Open Cases (Investigations-includes prior years)		198
Assigned Cases (Investigations).....	14	14
Closed Cases (Investigations).....	13	13
Closed Cases (Investigations) Exceptionally Cleared – Declined by Prosecutor.....	2	2
Charges (10 felonies).....	10	10
Convictions (2 felonies, 4 misdemeanors).....	6	6
Restitution Ordered.....	\$ 26,005.25	\$ 26,005.25

Convictions Activity

Warren Baker – Baker and his girlfriend were involved in an auto accident on 8/46/06 with a Kentucky Farm Bureau (KFB) insured. Subsequently, Baker presented a claim for lost wages to KFB and received \$4,928.25 in lost wage benefits for the period of 8/7/06 – 1/27/07. Baker's girlfriend informed KFB that Baker had submitted fraudulent documents to them in order to obtain the lost wage benefits. On 7/1/09, Baker was indicted by the Bullitt County Grand Jury on one felony count of fraudulent insurance acts. On 11/30/09, he pleaded guilty to the felony count and was placed on unsupervised pre-trial diversion for three years and ordered to pay

\$150.00 in court costs. He also was ordered to pay \$4,928.25 in restitution to KFB and a fine of \$638.00 to the Fraud Division for investigation expenses.

Daisy James – On 2/6/09, James forged the signature of her ex-husband, Jerry James, on a life insurance contract with Globe Life Insurance, which entitled her and her son to collect monetary benefits in the event of the death of Jerry James. This was done without his knowledge or consent. On 12/9/09, she was charged with one felony count of forgery 2nd degree in Grant County District Court. On 1/11/10, Daisy James pleaded guilty to the amended misdemeanor count of forgery 3rd degree and was placed on probation for six months. She also was ordered to pay \$153.00 in court costs.

Shawna Long – On 8/27/08, Long presented a fraudulent disability claim to Southern Financial Life Insurance Company through her creditor, Eagle Financial. She presented her claim form with an attached false physician's statement. The physician denied certifying a disability and did not complete the forms presented by Long. She subsequently submitted a false disability continuation form on or about 12/18/08. On 9/30/09, Long was charged with one felony count of fraudulent insurance acts in Jefferson District Court. On 12/16/09, Long pleaded guilty to the amended misdemeanor count of attempted fraudulent insurance acts. She was sentenced to 365 days conditionally discharged for two years. She was ordered to pay restitution in the amount of \$540.55 to Southern Financial Life Insurance Company.

Judy Kay Plunkett – On 12/20/07, Plunkett forged the signature of Daryl Gay on a life insurance contract with Globe Life and Accident Insurance Company, which entitled her to collect a monetary benefit in the event of his death. This was done without Gay's knowledge or consent. On 11/30/09, Plunkett was charged with one felony count of forgery 2nd degree in Grant District Court. On 1/12/10, Plunkett pleaded guilty to the amended misdemeanor count of forgery 3rd degree. She was placed on probation for six months and ordered to pay \$153.00 in court costs. Upon completion of her probation, she will be subject to diversion.

Jack Vanwinkle – Between 2/21/03 and 10/17/05, VanWinkle, a drywall contractor, had workers' compensation insurance coverage through Kentucky Mutual Employers Insurance (KEMI). Vanwinkle, during audits and interviews, stated he had one subcontractor and no employees. On 9/21/05, Vanwinkle admitted in a phone conversation to a KEMI investigator that, contrary to what he had reported in previous conversations, he actually has several crews working for him and would like to clear things up so he could continue to have coverage. On 12/5/08, Vanwinkle was charged with one felony count of fraudulent insurance acts. On 1/15/10, he pleaded guilty to the amended misdemeanor charge of fraudulent insurance acts and was sentenced to 12 months, probated one year, contingent on restitution in the amount of \$21,077.33 to KEMI. Restitution has been paid in full.